

**REMARKS**

Claims 1-24 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kalisher (5,524,932) in view of Smith (5,178,573).

Claim 1 is believed to be representative of the claims in this case. In claim 1, as in all the other independent claims, a single digital image is used to produce a series of digital images of different characteristics. Thereafter, visual images are formed from the series of digital images of different characteristics onto a medium. These visual images are cut and fixed onto a page, which can be useable in a scrapbook.

Kalisher is concerned with personalizing children's storybooks. A preformed storybook, which can have illustrations, is left with blank areas for receiving stickers that contain textural information such as personalized data about an intended recipient of the storybook (child). After the stickers are formed, they are fastened into the appropriate blank locations of the storybook. At the outset, it is noted there is no discussion about digital images in Kalisher. There is no motivation to form a digital image and use it as a vehicle for producing a series of digital images of different characteristics of the single digital image. Thereafter, a scrapbooker can cut out these visual images and fix them onto a page, which can be used in a scrapbook. There is nothing in Kalisher for providing the plurality of visual images having different characteristics derived from the same digital image and for placing them into a scrapbook page. The Examiner's attention is called to the Advantages section found on page 3 of the present specification. The present invention permits distinctive images having different characteristics, but formed from a single digital image, to be used by a scrapbooker. There is nothing in Kalisher which would provide teaching, suggestion, or any motivation for this feature.

It is true, as the Examiner points out, "Smith discloses printing a doll and accessory pieces on a planar material, cutting the pieces from the planar material and adhering the pieces to a panel." There is nothing in Smith that talks about, provides any disclosure, or suggestion for using a single digital image to provide a series of digital image of different characteristics. The dolls of Smith

can be printed and cut from a planar, semiflexible ferromagnetic material. Clothing can also be formed to be placed on the doll. The printed dolls and their clothing accessories are all different and not derived from a single digital image. Applicants can see nothing in Smith that would suggest it could be combined with using stickers in the manner described by Kalisher. Moreover, Smith has nothing to do with the present invention other than cutting and fastening steps, but Smith does not cut visual images having different characteristics formed from the same digital image.

The Examiner has cited *In re Gulack*, 217 USPQ 401, (CAFC 1983) which is concerned with the contents of printed subject matter on a substrate. The present invention is concerned with arranging digital images onto a scrapbook, which is a physical thing and is not directed just to printed subject matter. The present invention is clearly useful. The Examiner's attention is called to *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 47 USPQ 2d 1596 (Fed. Cir.), *cert. Denied*, 119 S. Ct. 336 (1998). In this case, the court held "Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces 'a useful, concrete and tangible result'--a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades..." (underlining added). This case stands for the proposition that "a useful, concrete and tangible result" renders a claim statutory subject matter. Clearly, the present invention, as set forth in claim 1 and all the other independent claims, is useful, concrete, and provides a tangible result, which is a scrapbook page. Business method claims, ever since *State Street Bank*, have not been denied by the United States Patent and Trademark Office. Since the claims in this case are useful and not directed to claiming text in a book, but to forming a scrapbook page from a series of images, the use of *Gulack* is believed to be inappropriate here.

Since all the independent claims in this case use a single digital image to create a series of digital images having different characteristics, it is

believed that all the claims contain unobvious subject matter and are patentable over the cited art, taken singly or in combination. Accordingly, this application is believed to be in condition for allowance, the notice of which is respectfully requested.

Respectfully submitted,



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